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*Attorneys for defendants Threshold Pharmaceuticals, Inc.,  
Harold E. Selick, and Janet I. Swearson*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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JERRY TWINDE, On Behalf of Himself and All  
Others Similarly Situated,

Plaintiff,

v.

THRESHOLD PHARMACEUTICALS, INC.,  
HAROLD "BARRY" E. SELICK and JANET I.  
SWEARSON,

Defendants.

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RAYNOLD L. GILBERT, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

THRESHOLD PHARMACEUTICALS, INC.,  
HAROLD "BARRY" E. SELICK and JANET I.  
SWEARSON,

Defendants.

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Civil Action No.: 07 CV 6227 JSR  
Consolidated with 07 CV 6490 JSR

DECLARATION OF CATHLEEN P.  
DAVIS IN SUPPORT OF  
DEFENDANTS' MOTION TO  
TRANSFER VENUE

1. I, Cathleen P. Davis, have served as Controller of Threshold Pharmaceuticals, Inc. (“Threshold” or the “Company”) from July 2005 to the present. Since August 2006, I have also served as Vice President of Finance, the Company’s most senior finance officer. I make this declaration in support of a motion to transfer the above-referenced case from the Southern District of New York to the Northern District of California. Except as otherwise indicated, I have personal knowledge of the facts set forth herein, and if called upon to do so, I could and would testify competently thereto.

***Threshold Pharmaceuticals***

2. From the time I joined Threshold in July 2005 to the present, the Company’s corporate headquarters and sole office has been located at 1300 Seaport Boulevard, Redwood City, California. The city of Redwood City is in San Mateo County and is located within approximately 30 miles of San Francisco.

3. I am informed and believe that prior to December 2004, the Company’s corporate headquarters and sole office was located at 941 Gateway Boulevard, South San Francisco, California and that Threshold moved from that office to its current location in December 2004. The city of South San Francisco is also in San Mateo County and is located within approximately 10 miles of San Francisco.

4. All of the Company’s employees work in Redwood City.

5. From the time I joined Threshold in July 2005 to the present all but one of the Company’s directors have been located in the San Francisco Bay Area. During my tenure the only director not located in the San Francisco Bay Area has been located in Little Rock, Arkansas. During my tenure, the board of directors’ in-person meetings have consistently been held in Redwood City and other locations in the San Francisco Bay Area.

6. From the time I joined Threshold in July 2005 to the present, the Company has been incorporated in Delaware. I am informed and believe that the Company has been continuously incorporated in Delaware since it was first incorporated in 2001.

***Registration Statements and Prospectuses***

7. In 2004 and 2005, Threshold filed registration statements and prospectuses with the SEC in connection with the Company's initial public offering ("IPO") and follow-on offering. The registration statements for Threshold's October 2005 follow-on offering were prepared by the Company in its Redwood City offices. I am informed and believe that the registration statements and prospectuses for the Company's IPO were also prepared by the Company in its South San Francisco and Redwood City offices.

8. All of the Threshold employees that were involved in the process of preparing the registration statements and prospectuses for Threshold's follow-on offering were located in the Company's Redwood City offices. I am informed and believe that all of the Threshold employees that were involved in the process of preparing the registration statements and prospectuses for Threshold's IPO were also located in the Company's South San Francisco and Redwood City offices.

9. The underwriters for Threshold's IPO were Banc of America Securities LLC, CIBC World Markets, Lazard Freres, and William Blair & Co. I am informed and believe that many of the employees of those firms who worked on the IPO were located in offices in the San Francisco Bay Area.

10. The underwriters for Threshold's follow-on offering were Morgan Stanley, CIBC World Markets, and Lazard Capital Markets. Many of the employees of those firms who worked on the follow-on offering were located in offices in the San Francisco Bay Area.

***Press Releases***

11. From the time that I joined Threshold in July 2005 to the present, the Company has, from time to time, prepared and issued press releases, and these press releases are all drafted at the Company's Redwood City offices. I am informed and believe that the same was true from May 2005 until I joined the Company in July 2005.

12. All of the employees routinely involved in the preparation of Threshold's press releases from July 2005 to May 2006 were located in the Company's Redwood City offices. I am informed and believe that the same was true from May 2005 until I joined the Company in July 2005.

***Conference Calls***

13. From the time I joined Threshold in July 2005 to the present, the Company has, from time to time, conducted conference calls with investors in connection with the announcement of the Company's earnings or other news. Threshold's management routinely prepares for and conducts these conference calls from the Company's Redwood City offices.

14. On or about May 11, 2006, Harold Selick, Threshold's CEO, and Dr. Alan Colowick, then the Company's Chief Medical Officer, conducted an investor conference call regarding the FDA's partial clinical hold on the Company's clinical development program for TH-070 for Benign Prostatic Hyperplasia ("TH-070"). They conducted this call from the Company's Redwood City offices. The other Company employees who participated in the call on behalf of the Company or who assisted in preparing for the call were also located in Redwood City.

***Clinical Trials And Development of TH-070***

15. From approximately September 2003 to July 2006, the Company pursued development of TH-070. To pursue this development, the Company designed and sponsored numerous clinical trials. These trials were conducted in multiple locations within Canada, Germany, Hungary, Ireland, Italy, Poland, and the United States. The clinical trials in the United States were conducted in Arizona, California, Colorado, Connecticut, Florida, Illinois, Indiana, Maryland, New Jersey, New York, Nevada, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas, and Washington.

16. Threshold employees in the Company's South San Francisco and Redwood City

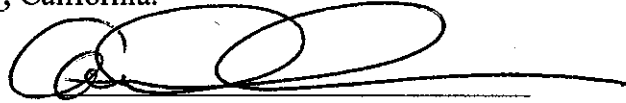
offices oversaw the monitoring of all of the clinical trials of TH-070.

***Threshold's Motion to Transfer Venue***

17. In my opinion, as Threshold's Vice President of Finance, it would be burdensome for Threshold to defend this litigation and to try this case in the Southern District of New York. It would be a significant expense for the Company to transport its employees and members of management to New York for trial. The Company would also suffer from the absence of these individuals, which would be highly disruptive to the Company's business.

I declare under penalty of perjury that the foregoing is true and correct. Executed this

16<sup>TH</sup> day of AUGUST 2007 at Redwood City, California.



Cathleen P. Davis